



Kansas Health Policy Authority

MARCIA J. NIELSEN, PhD, MPH
Executive Director

ANDREW ALLISON, PhD
Deputy Director

Approved: December 1, 2006

Minutes – KHPAB Meeting of November 14, 2006

Board Members Absent:

- Rob Kaplan

All Remaining Board Members Present

Board Staff Present:

- Dr. Marcia Nielsen, Executive Director

Board Staff Absent:

- Dr. Andrew Allison, Deputy Director

Legal Counsel Present

- H. Philip Elwood

Call to Order – Welcome by Chair Connie Hubbell

Chair Hubbell called the meeting to order, welcomed the Board members and guests and reviewed the agenda.

Announcement. Chair Hubbell announced that the Partnership for Prescription Assistance national tour bus was scheduled to be at the State Capitol during today's Board meeting and that she and Dr. Nielsen had planned to visit the bus, to bring attention to the need for low-cost prescription drug options for many Kansans and to highlight the agency's Community Rx Kansas program. Chair Hubbell invited any additional Board members to attend as well.

Approval of 10-17-06 Meeting Minutes. The minutes from the October 17th Board meeting had been previously distributed and reviewed by the Board;

- **ACTION:** A motion was made, seconded and passed to approve these minutes as printed.

Pittsburg Town Hall Meeting. The next Authority Town Hall meeting is scheduled for Tuesday, November 21, 2006, from 4:00 pm to 6:00 pm at the Pittsburg Memorial Hall in Pittsburg KS. Chair Hubbell reviewed the Town Hall materials with the members (handouts). Attending from KHPA will be Dr. Nielsen, Dr. Allison, and Scott Brunner. Board members attending will be Vice-Chair Joe Tilghman, Acting Secretary Kathy Greenlee and Garen Cox.

Garden City Town Hall Meeting. A Town Hall meeting is scheduled on Wednesday, December 6, 2006, from 4:00 pm to 6:00 pm at the Garden City Plaza Hotel. More details on this meeting will be shared at a later date.

Dr. Nielsen added that she is looking forward to attending these meetings and hearing from individuals on the direction of health for Kansans as well as hearing specific recommendations from the public on moving additional Medicaid-funded programs to the Authority.

KHPA Board Meeting Schedule for 2007. Chair Hubbell referred the members to a revised meeting schedule (handout) for the 2007 Board meetings. The meeting dates/times have remained the same: 8:30 am to 3:30 pm on February 20, March 20, April 17, May 15, June 19, July 17, August 21, September 18, October 16, November 13, December 18. However the location of the meetings has changed to: Eisenhower State Office Building, 4th Floor Conf Room B, 700 SW Harrison, Topeka KS.

KHPA Board Membership – Appointment Schedule. Chair Hubbell reviewed the Board members' appointment schedule (handout) which outlined each member's initial appointment date and length of appointment. This information was

Agency Website: www.khpa.ks.gov

Address: Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220

Medicaid and HealthWave:

Phone: 785-296-3981

Fax: 785-296-4813

State Employee Health

Benefits and Plan Purchasing:

Phone: 785-296-6280

Fax: 785-368-7180

State Self Insurance Fund:

Phone: 785-296-2364

Fax: 785-296-6995

prepared in response to inquiries relating to the timing of the members' appointment rotation, to ensure for an orderly rotation of members.

Report by Dr. Marcia Nielsen, Executive Director

Status of Medicaid Managed Care Contracts. Dr. Nielsen reported that transition plans to the new Medicaid Managed Care contractors are progressing very well. Agency staff have been working closely with EDS (Medicaid fiscal agent) to prepare enrollment packets for mailing, to inform beneficiaries of their choices in providers and plans, and to provide additional staff at the call centers. She invited the members and guests to access the agency's website which is www.khpa.ks.gov to review weekly updates and related information on this issue.

Report on Senior Staff Retreat. Dr. Nielsen briefly summarized the results (handout) of the recent Senior Staff retreat, held November 2/3. This retreat had been scheduled to review the historical development of the agency, to understand the perspectives of the senior staff, to review the results of an Employee Work Engagement Assessment which all staff had recently been invited to complete, and to develop action areas to address a number of concerns expressed by staff. Dr. Nielsen closed by stating the retreat had been very productive and was pleased that recommendations to address specific concerns were shared with all staff within a very short timeframe.

Legislative Hearings for KHPA. Dr. Nielsen reported that, on November 15th, testimony would be presented to the Joint Committee on Information Technology on the National Provider Identification project and the Data Analytic Interface System. On November 16th, staff would testify to the Joint Committee on Children's Issues on the HealthWave Program as well as a number of additional agency contracts. Finally on November 17th, staff would be attending the Legislative Educational Planning Committee hearing. Dr. Nielsen added that copies of the testimony would be available on the agency website, as well as mailed to the Board members.

Policy Option – Enhanced Care Management (ECM) Pilot Project. Dr. Nielsen began by explaining that the ECM project currently provides chronic disease management for high-risk Medicaid consumers in the Sedgwick County area and that this is an optional service. Central Plains Regional Health Care Foundation is the current contractor of this service. This project and related costs had been previously reviewed by the Board during the August 2006 meeting, at which time all agency FY 2008 budget initiatives were being reviewed and approved for the agency's budget submission. At that time, the Board recommended to fund the ECM in a supplemental budget request for \$750,000 for FY 2007 and then end the project and conduct an evaluation of the project. After further discussion with the Central Plains staff, Dr. Nielsen agreed that ending the ECM program in FY 2007 was premature. More data needed to be collected in order to assess whether this model of care improves patient outcomes and reduces health care costs. The contractor then submitted a new proposal and included a revised financial structure and a component for collection of outcome data and evaluation. Dr. Nielsen reviewed this new proposal (handout) with the members, explained agency staff recommendations, and advised that this proposal would need Board approval since the ECM project had been included in the agency's budget submission.

Secretary Rod Bremby asked how this service could be linked with other disease management services within the Wichita community, such as the Diabetic Disease Interface (DDI), which is currently being coordinated by KDHE. Arneatha Martin added that additional outreach activities should be done to provide information on the ECM project to Wichita community partners.

- **ACTION:** Dr. Howard Rodenberg, KDHE, will followup with Central Plains Foundation staff to coordinate community services being offered by the DDI program within the Wichita area.

Joe Tilghman suggested, and a number of Board members agreed, that any service model or project should include interim measurements of the project to ensure the cost effectiveness, and that all future projects being reviewed by the Board include an interim evaluation schedule. Acting Secretary Kathy Greenlee added that the Department on Aging (DoA) would be very interested in the ECM project, as DOA currently serves 6500 individuals on the Frail and Elderly waiver and that this same population could be served with a similar disease management project. Dr. Nielsen closed the discussion by stating that her staff will continue to monitor the success of the ECM project and that any future plans will need to be coordinated among a number of agencies and community services.

Chair Hubbell then summarized the Board discussion and recommendation on the ECM new proposal and asked for a motion to approve.

- **ACTION:** A motion was made, seconded and passed to withdraw \$750,000 from the FY 2007 Supplemental Request; to add \$500,000 to the FY 2008 budget request; and to evaluate the ECM project prior to the end of FY 2008, in response to the Board's request for interim evaluation.

Additionally, Dr. Nielsen requested to hear more on the Project Access community initiative in the Wichita area.

Review of Legislative Study – Prescription Drug Generic Rebate.

Dr. Nielsen reviewed the Summary of the Prescription Drug Generic Rebate and Dispensing Cost Study (handout) with the members. This study was required by legislative proviso during the 2006 session, with a due date of November 30th. The KHPA staff recommended in the study that additional review be made of the Deficit Reduction Act (DRA) provisions that affect pharmacy reimbursement as well as other issues nationally that impair pharmacy reimbursement, including Medicare Part-D. There was also concern expressed about the impact of this study on those pharmacists with a smaller customer base or located in rural communities. Dr. Nielsen closed by asking the Board to review this document within the next several weeks and to let her know of any additional concerns related to the study.

Report by Scott Brunner, Chief Financial Officer

New Citizenship Requirements for Medicaid Eligibility and Enrollment. Mr. Brunner reported on the impact of the new federal citizenship requirements on recent Medicaid eligibility applications. Due to the passage of DRA, effective July 1, 2006, those individuals applying for Medicaid benefits must now submit either one primary document verifying citizenship and identity (such as a passport or certificate of naturalization), or two secondary documents (such as a birth certificate and a driver's license or school ID card). Applicants are unsure of what documentation is required; and as a result, more cases are being pended because of missing documentation and, in turn, this has increased the number of customer service phone calls. Due to the new citizenship requirements, 1,200 new applicants have been denied coverage; and upon the annual review of eligibility, approximately 1,500 current beneficiaries have lost coverage.

Members of the Board expressed concern over the number of individuals being denied services due to these new requirements and how the utilization and cost of hospital care and emergency services for these individuals might increase. In addition, with the denial of services to these individuals, there is no accessibility to preventive care, immunizations, prenatal care, and other critical services. Dr. Nielsen suggested that a letter be sent to the Congressional delegation on behalf of the KHPA Board, expressing Kansas' concerns with these new requirements and encouraging action be taken on a national level to implement a comprehensive immigration policy.

- **ACTION:** It was requested that this issue be addressed again at the December 12th KHPA Board meeting, or at the January Board Retreat, to outline options to be taken by the Board.

Review of KHPA FY 2007 Expenditures. Mr. Brunner briefly reviewed the FY 2007 Expenditure Report (handout), which included a comparison of expenditures in Assistance, Administration, Funding, and State Employee Health Benefits from FY 2006 to October 2007.

Division of Budget (DOB) Recommendations/Agency Appeals. Mr. Brunner advised that the agency's budget recommendations (submitted September 2006 after Board approval in August) had been reviewed by DOB staff and that KHPA had received the list of DOB budget recommendations during the prior week. In response to the DOB's budget recommendations, a list of potential budget appeal items (handout) had been compiled for the Board's review. Mr. Brunner stated that this draft handout (appeal list which included 15 items) was not in priority order and asked if the Board members would like to determine which items to submit for appeal, or if they preferred that KHPA staff make that determination.

- **ACTION:** A motion was made to authorize KHPA staff to proceed with the appeal prioritization and that the Board not be requested to approve this list. There was no second to this motion; motion died.
- **ACTION:** Dr. Nielsen clarified that there were two exceptions on the draft appeal list being reviewed at today's meeting: Business Health Partnership (BHP) and the Enhanced Care Management (ECM) were not on the list of recommended budget reduction but had been added as a reference to revisit for FY 2008. (See additional information on the Enhanced Care Mgmt reinstatement for FY 2008 on Page 2 of these minutes.)
- **ACTION:** Motion was made, seconded and carried to prioritize this draft list of appeals as follows:
 1. Staffing needs at KHPA
 2. Staffing needs at Clearinghouse
 3. Medicaid and HealthWave Contract shortfalls.
 4. Data Management and Policy Analysis
 5. Healthy Kansas First Five
 6. Also included in this motion was acknowledgement to clarify the BHP and ECM projects being revisited and realigned.

Lastly, it was suggested that the KHPAB Executive Committee be called upon to review and reprioritize the remaining appeal items if necessary.

Health Information Technology/Health Information Exchange (HIT/HIE)

Karen Braman presented (handout) on the HIT/HIE initiatives which are occurring at the federal and state levels. She began by reviewing the need for HIE/HIT as well as barriers to implementing these initiatives. She continued by summarizing current Kansas initiatives related to health technology, to include the Governor's Health Care Cost

Containment Commission, Advanced ID Card Technology, Health Information Security and Privacy Collaboration (HISPC), Community Health Record (CHR) pilot, Healthe MidAmerica, and InfoLinks. She outlined the membership and purpose of current HIE/HIT working groups (Clinical, Technical, Financial, and Governance). She closed by thanking the founding sponsors, outside interested parties and KHPA staff for their participation and support of the HIT/HIE efforts.

There was a brief discussion held about the need for additional marketing of these initiatives and the role of physicians in promotion of these efforts. Secretary Rod Bremby added that his agency is working on outreach efforts related to a free software for patients to use in their homes, which would track appointments, medications, health conditions, etc., to enable the patient to remain better informed about their medical care. Board members agreed on the importance of these initiatives but suggested that additional collaboration with other states be continued as well as shared data management systems related to health technology.

- **ACTION:** It was requested to have an additional presentation on the InfoLinks project at an upcoming Board meeting, which is a joint project between KS Department of Health and Environment and the Kansas Health Institute, funded by a Robert Wood Johnson grant.

Report on Draft KHPAB Health Indicators

Dr. Nielsen advised that the KHPAB Indicators Subcommittee had recently met to develop a draft list of health indicators (handout). The six Vision Principles were cited in this document, followed by a number of subsequent measurements. Specific joint agency (SRS, KDHE, and KDoA) areas for measurement were also described.

- **ACTION:** Recommendation was made to include KS Insurance Department (KID) along with its specific areas for measurements. Dr. Nielsen responded that KID will be added and that this document will be reviewed again at the Board Retreat in January.

Review of Summary of Advisory Councils

Dr. Nielsen reviewed a draft document (handout) which described the purpose and membership options for the Consumer Council, Provider Council, and Purchase Council. She stated that the goal of these councils would be focused on health reform for Kansans; and that Senate confirmation of council membership was not required. Discussion was held on the process to nominate the various council members, i.e. whether or not members should be delegated by a professional organization or consumer; whether a consumer or professional organization can self-nominate and then ask the KHPA Board and/or staff to select from the self-nominations; or whether all nominations should be solicited and submitted by the Board members.

- **ACTION:** The decision was made to allow for the second and third options (listed above) to ensure a diverse membership (including geographical diversity), to use a comprehensive distribution list of providers and consumer associations to distribute an invitation letter; and to post information on Council membership on the Authority website and the Kansas Register. Subject matters for the Councils' review will be identified to avoid potential gaps in service areas.
- **ACTION:** Chair Hubbell asked that the invitation letter be reviewed at the December 12th Board meeting and that a list of potential members to the three Councils be reviewed at the Board Retreat or at the February 20th Board meeting.

Dr. Nielsen and Counselor Elwood clarified that this type of membership would not require a background check of the individual. It was determined that there would be no membership slots for specific organizations but instead organizations would be asked to nominate their members; and it was agreed upon that the KHPA agency would reimburse travel related expenses (mileage) for the members.

KHPA Board Retreat, January 22/23, 2007

Chair Hubbell reviewed the Board Retreat Summary (handout) with the members which outlined the results from the Retreat held February, 2006, including those retreat recommendations which have been accomplished over the past year, those recommendations needing additional follow-up, and a list of draft topics for the Board Retreat scheduled January 22/23, 2007. The draft retreat topics included: Strategic Planning; Determine Coordinated Health Policy Agenda; Review Legislative Agenda; and Engage a Guest Speaker. Additional retreat topics offered were:

1. Discussion of the Deficit Reduction Act.
2. "Blue Sky" discussion, and include other state agencies.
3. Presentations from KHPA Senior Staff.

Dr. Nielsen added that plans are being made to invite the Governor as well as key legislators to speak at the January Board Retreat. Chair Hubbell advised that it is possible that a block of time on Day 2 of the Retreat will be used for a formal Board meeting if there are issues that need to be addressed; and that further updates on the Retreat will be provided to the Board as plans are finalized.

Statutory Revisions for 2007 Legislative Session

Marta Fisher Linenberger, General Counsel, presented on a proposal to submit a number of amendments to the 2007 Legislature, in order to correct or clarify the KHPA statutory role in three areas:

1. Executive Director's authority (in areas of agency operations, regulations, appellate reconsiderations, and contracting)
2. Health Care Commission integration (responsible for contracting the state employees health plan but currently no direct link to KHPA)
3. Technical amendments (edit statutes relating to health care data base, adding KHPA as probate code; fair hearings, changing from "SRS" to KHPA).

Ms. Linenberger explained that, with technical edits made to regulatory and appeal statutes, Dr. Nielsen would be given the authority as Executive Director to review and approve regulation changes (include approval of drug formulary) and review appellate reconsiderations.

- **ACTION:** Motion was made, seconded and carried for KHPA staff to draft legislation to amend statutes which would direct KHPA Executive Director to have oversight of the regulatory process and appellate reconsiderations. This draft legislation will be reviewed by the Board at the December 12th meeting.

With respect to the Health Care Commission (HCC) membership, it was proposed to add Dr. Nielsen, or her designee, as a member.

- **ACTION:** Upon further discussion, it was decided to revisit the issue of HCC membership at a later time, and to make no request for statute change on this issue at this time.
- **ACTION:** Regarding technical amendments cited in #3 above, a motion was made, seconded and passed to allow KHPA staff to draft legislation to amend those statutes that would require simply a name substitution or name addition, or edit a definition.

Ms. Linenberger closed by briefly reviewing several proposed amendments that are being considered in the areas of third party liability and Board travel expenses. After a brief discussion Dr. Nielsen advised that the third party liability/subrogation upgrade issue would be addressed at the Joint Committee on Health Care Oversight; and that the issue of Board travel expenses to attend out-of-state conferences would be reviewed again at a later date.

Proposed Board Resolution – Delegation of Authority

Counselor Phil Elwood reviewed a draft proposed resolution (handout) which described the process for delegation of authority when approving agency contracts. This proposal would designate authority to Dr. Nielsen, as Executive Director of KHPA, to review and approve all Request for Bid (RFB) documents; and for contracts which, in Dr. Nielsen's judgement, involve significant new policy for health care services and/or involve an expenditure amount that exceeds "...ordinary course of KHPA operations...", then those RFPs would be brought before the Board for their review.

- **ACTION:** It was moved, seconded, and carried to adopt this proposed resolution with the condition that a statement is added, to the effect that any KHPA contract over and above a specific dollar amount (\$10 million was suggested) for the life of the contract would require to have Board's review and approval. There was one dissenting vote.
- **ACTION:** Dr. Nielsen will have staff prepare a detailed list of current agency contracts which total \$10 million and over, to include the timeframes of those contracts. This breakdown will be available for the Board's review in two months.

Draft Recommendation – Possible Expansion of Medicaid funded programs to KHPA

Dr. Nielsen reviewed the draft recommendation (handout) related to the possible transfer of additional Medicaid funded programs to KHPA and stated that a recommendation on this issue will be submitted to the 2007 legislature. In this document, Dr. Nielsen recommended that, in light of the current responsibilities of KHPA and the need for additional resources to maintain its current duties, any decision to transfer additional programs to KHPA as outlined in the statute would not appear be practical. Acting Secretary Greenlee asked if this issue would be reviewed again at a later time; Dr. Nielsen responded that KHPA is required to make a recommendation on this issue to the legislature in both 2007 and 2008. Chair Hubbell added that this issue would reviewed again too in Spring 2007 when the Board would be approving the legislative and budget initiatives for the agency.

- **ACTION:** A motion was made and seconded for the Board to support Dr. Nielsen's draft recommendation to not transfer additional programs at this time. However, during the discussion of this motion, it was determined to revisit this recommendation again at the December Board meeting, since the two additional Town Halls meetings will have occurred by that December meeting date.
- **ACTION:** Motion was made, seconded and carried to table the original motion; this issue will be placed on the December Board meeting agenda.

Review of Summaries of RFPs

Dr. Nielsen reviewed the summaries (handouts) of two agency RFPs with the Board, one relating to Medicaid Utilization

Review Services by hospitals; and the second one relating to the Data Analytic Interface System. Dr. Nielsen clarified that the RFP for the Data Analytic Interface System is dependent upon receiving the requested funding by the legislature for this project. Both summaries had been submitted to the Board today for their review and information only. No action by the Board was necessary.

Public Comment

There were no public comments received at today's meeting.

Next Meeting

The next KHPA Board meeting is scheduled for Tuesday, December 12, 2006, 8:30 to 3:30 at the Capitol Plaza Hotel, Emerald Rooms IV and V, 1717 SW Topeka Blvd, Topeka KS.

Next Steps – Agenda Items for Upcoming Meetings

1. Continuing Impact of the new Citizenship Requirements - proposed letter to Congressional delegation - December or January meeting.
2. Draft Health Indicators – review at January meeting.
3. Review invitation letter for Advisory Councils' membership – December meeting.
4. Review Advisory Councils membership – January retreat or February meeting.
5. Review draft legislation which would amend statutes relating to regulatory and appellate process; and technical amendments – December meeting.
6. Presentation on Project Access – upcoming meeting.
7. Presentation on "Check Up" software – upcoming meeting
8. Detailed list of agency contracts which are \$10 million or more – January or February meeting.
9. Report on Info Links/KDHE
10. Review draft recommendation regarding possible transfer of additional Medicaid programs to KHPA – December meeting.

11-20-06